

[1 March, 2000]

RAJYA SABHA

Enquiry into Defence Deals

619. SHRI A. VIJAYA RAGHAVAN : Will the Minister of DEFENCE be pleased to state:

(a) whether Government have taken any decision to enquire into the defence deals in the recent past;

(b) whether it includes the urgent purchases made during the Kargil War; and

(c) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES) : (a) and (b) Yes, Sir.

(c) With a view to ensure absolute probity in defence procurements and in deference to the suggestions made by the Hon'ble Members of Parliament, the Government has requested the C&AG to carry out a Review/Special Audit of the allegations pertaining to:

- (i) excessively and wrongly bought spares that are reportedly lying as junk in various depots,
- (ii) alleged irregularities in emergency procurements for Kargil operations, and
- (iii) non-transfer of technology, even though contracted and paid for.

For the same reasons, the Government has also requested the Central Vigilance Commission for instituting a probe by the CBI or any other appropriate agency into the following allegations:

- (i) involvement of agents/middlemen in major Defence deals after imposition of ban on involvement of agents,
- (ii) allegations made during the course of Short Duration Discussion in the Rajya Sabha on 23rd December 1999 regarding irregularities in Defence procurements, and
- (iii) allegations made in the writ petition filed by a serving Rear Admiral in the Delhi High Court.

Production of Arjuna Tank

620. SHRI KULDIP NAYYAR : Will the Minister of DEFENCE be pleased to state:

(a) whether the Arjuna main battle tank going in for serial production

was sanctioned two years ago; and

(b) if not, is it being diverted to the self-propelled 155 mm weapon system presently under testing?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI HARIN PATHAK) : (a) Yes, Sir.

(b) Does not arise.

Purchase of Krasnopol shells from Russia

621. SHRI KULDIP NAYYAR : Will the Minister of DEFENCE be pleased to state:

(a) whether the Ministry of Defence (MoD) has signed a conditional contract with KBP Instrument Making Design Bureau of Russia for 1000 laser-guided 155 mm Krasnopol/M rounds, agreeing to pay them a 20 per cent advance;

(b) whether it is a fact that the shell in this case failed to perform adequately during high altitude trials in Kashmir recently; and

-(c) was there any middle-man involved in contract for Krasnopol shells?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES) : (a) Yes, Sir.

(b) The Shells have been trial evaluated, both in plains and high altitude areas. The final Evaluation Report based on these trials has not yet been received from the Army HQrs.;

(c) The Contract has a specific Clause prohibiting engagement of agents which also *inter alia* provides that if at a later stage it is discovered that the supplier had engaged any agent, the Contract can be cancelled and the firm would also be liable to be debarred from any supply contract for five years.

Payment of Compensation at Same Rate

622. SHRI DAWA LAMA : Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Government have declined to pay compensation to the bereaved families of those Army personnel at the same rate of Kargil martyrs though they sacrificed their lives in Kargil sector in post-undeclared war situation; and